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E.O. 12958: N/A TAGS: PREL PARM PHUM ASEC CH IR SUBJECT: JUNE 15 MFA PRESS BRIEFING: IRAN/SCO SUMMIT, U.S. CITIZEN SECURITY RISK, E.O. 13382 DESIGNATION, SIX-PARTY TALKS, JAPAN, UN ARMS REGISTER, ZHAO YAN, AFRICA, PANAMA

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Summary

- 11. Key points made at the June 15 MFA press briefing are as follows:
- -- Iranian President Ahmadinejad's remarks at the June 15 Shanghai Cooperation Organization (SCO) Summit reflected only Iran's position.
- -- Beijing welcomes Iran's willingness to negotiate with relevant parties to resolve the nuclear issue and hopes Tehran will respond positively to the package it has been offered.
- -- The Chinese Government attaches great importance to and is investigating reports from the U.S. Embassy on security risks to U.S. citizens.
- -- The U.S. Government's freezing of four Chinese companies' assets was "unreasonable and irresponsible" and undermined U.S.-China nonproliferation cooperation.
- -- The Six-Party Talks have been at an impasse for the past six months.
- -- China hopes Japanese leaders can remove the obstacles to bilateral relations and return relations to a normal track.
- -- While China attaches importance to the UN Register on Conventional Arms, Beijing suspended its participation in the Register after some countries used it to record arm sales to Taiwan.
- -- NY Times Researcher Zhao Yan is currently being tried, the MFA spokesperson said without elaborating.
- -- China's cooperation with Angola helps to promote the African nation's economic and social development.
- -- The Taiwan issue is the only factor hindering the development of China-Panama relations.
- -- President Wade of Senegal will visit China June 21-126. End Summary.

Ahmadinejad's Remarks at SCO Reflect Iran's Position

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12. The June 15 MFA press briefing was dominated by correspondents' questions on the Shanghai Cooperation Organization (SCO) Summit in Shanghai June 15 and particularly Iranian President Ahmadinejad's participation in the event. Asked by the Bloomberg correspondent about Ahmadinejad's reported call for strengthening SCO cooperation to counter "domineering powers" (Ref A), MFA Spokesperson Jiang Yu asserted that Ahmadinejad's remarks reflected only Iran's position. She argued that the SCO is an important force for maintaining regional as well as world peace and stability. The SCO does not target any third party nor support confrontation. The organization has made significant contributions to peace, stability and the democratization of international relations, Jiang remarked. Asked whether China would accept Iran's reported invitation for SCO leaders to meet in Tehran, Jiang asserted that SCO members will study the various proposals raised at the Summit, adding that such decisions will be based on consensus within the SCO.

13. Questioned about the anticipated discussion of the Tran nuclear issue during President Hu Jintao's bilateral meeting with Ahmadinejad, Jiang reported that President Hu so far has met bilaterally with his Kazakh, Tajik and Uzbek counterparts, adding that they have signed several agreements. Beijing advocates a peaceful resolution to the Iran nuclear issue and welcomes Iran's willingness to negotiate with relevant parties to achieve a resolution. Jiang expressed the hope that Tehran will respond positively to the

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package it has been offered and that all the parties will make positive efforts. Asked to confirm whether Iran's oil minister accompanied Ahmadinejad to the Summit, Jiang said she was unaware of any specific oil agreements signed with Iran but that energy cooperation is a component of normal China-Iran economic relations. Bilateral trade reached USD 10.1 billion in 2005 and was comprised mainly of transportation, communication and electricity projects. On the topic of new SCO membership, she maintained that the SCO currently lacks the legal foundation for absorbing new members and current members are studying how to better integrate observer states into the SCO framework.

14. Responding to the Xinhua reporter's general question on the Summit, Jiang Yu noted that Summit participants summarized the SCO's achievements and planned for its future development. In his speech, President Hu positively assessed the SCO's role in consolidating good neighborly relations and promoting regional peace and economic development. He called on the SCO to continue promoting economic cooperation, peaceful development and cultural exchanges. Summit participants released a joint declaration, a statement on international information security, several decisions on strengthening the SCO's internal structure and a joint press communique. Officials signed security, economic, trade and education agreements. Jiang remarked that the establishment of the business committee at the Summit will help facilitate direct exchanges between entrepreneurs from SCO countries and strengthen regional economic cooperation.

China Investigating U.S. Embassy Threat Reports

<sup>15.</sup> Asked by the Reuters correspondent about the U.S. Embassy's warning of a heightened security risk to U.S. citizens in China, Jiang asserted that China

firmly opposes terrorism in any form. The Chinese Government attaches great importance to these reports and is making efforts to investigate them. China will adopt strong measures to protect foreign, including U.S., institutions and personnel, she stated.

"No Evidence" to Support Designation under E.O. 13382

16. Asked about the U.S. designation of four Chinese companies as supporters of weapons proliferation activities, Jiang alleged that the U.S. Government did not provide any evidence to justify freezing the assets of the four companies, and she specifically named the China Great Wall Industry Corporation (CGWIC). Arguing that the decision was "unreasonable and irresponsible," she asserted that the U.S. move undermined U.S.-China nonproliferation cooperation and will not help bilateral relations. China calls on the United States to abandon its "wrong practice" of sanctions or pressure. Jiang said Beijing is firmly opposed to the proliferation of weapons of mass destruction and does not allow any firm or individual to support or engage in proliferation activities. China will handle violators of its nonproliferation policy or export controls according to the law. China will implement its nonproliferation commitments and continue international cooperation in this area on the basis of equality and mutual respect.

## Six-Party Talks are at an Impasse

17. Noting media reports highlighted by the AFP correspondent about North Korean plans to launch intercontinental ballistic missiles, Jiang remarked that the Six-Party Talks have been at an impasse over the past six months. The parties should demonstrate flexibility and pragmatism, while increasing trust and overcoming difficulties. Such moves would help the parties implement the Joint Statement, resume the Six-Party Talks quickly and generate progress during the Talks.

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Japan Should Remove Obstacles to Bilateral Ties

¶8. Asked about President Hu's reported June 10 statement to Japanese Ambassador Miyamoto suggesting the possibility of a visit to Japan, Jiang responded that President Hu has stressed that the two countries should live together in peace and pursue common development. China hopes Japan will remove the obstacles and return China-Japan relations to the normal track of development. Jiang expressed the hope that Tokyo will recognize Beijing's sincere attitude toward improving relations. President Hu's remarks on China-Japan relations have been consistent.

China Stopped UN Arms Registration Due to Taiwan Sales

19. While China attaches importance to the UN Register on Conventional Arms, Beijing temporarily suspended its participation in the Register after some countries used it to record arm sales to Taiwan, Jiang remarked when asked about Amnesty International's criticism of China's failure to submit data to the Register over the past eight years. She argued that such sales contravene the spirit of the UN Register on Conventional Arms. China will resume its participation in the program once countries cease these practices.

110. Asked about the upcoming trial of New York Times researcher Zhao Yan, Jiang only remarked that the case is currently being tried. Questioned about the reported attack on activist Fu Xiancai after criticizing the Three Gorges project in an interview with the German press, Jiang stated that the Chinese authorities are investigating the incident and will handle the case according to the law. The individual was given immediate treatment for his injuries, she said.

Premier Wen's Visit to Angola, China-Africa Relations

¶11. Premier Wen Jiabao will visit Angola as part of his June 17-24 tour of seven African countries, Jiang noted. Asked about international criticism of energy contracts China and Angola have reportedly signed, she said China has increased oil imports in recent years in order to meet growing domestic demand. Most of China's imports of Angolan oil are purchased from international markets. China's cooperation with Angola helps to promote the African nation's economic and social development and is mutually beneficial. Emphasizing the role of the China-African Cooperation Forum in building mutual trust, Jiang noted that African leaders have responded positively to Beijing's invitation to attend the China-African Cooperation Forum Summit in November. Since the establishment of the Forum, China has forgiven 10.5 billion RMB in debt owed by 31 African nations and has offered assistance without any "strings attached."

Beijing Willing to Normalize Relations with Panama

112. While Jiang said she had no knowledge of plans for a large-scale China-Panama project, asked about by the Spanish News Agency correspondent, she stressed that the Taiwan issue is the only factor hindering the development of China-Panama relations. In addition to the establishment of reciprocal trade offices in 1996, the two countries maintain frequent personnel exchanges and are expanding trade cooperation. "People of vision" in Panama understand that forging diplomatic ties with China will benefit their country. Beijing is prepared to normalize relations with Panama.

Senegal President's Visit

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<sup>13.</sup> Jiang announced that President Wade of Senegal will visit China June 21-26.
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